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60 Minutes

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McKesson Responds to 60 Minutes Story about the Opioid Crisis Litigation

On December 16, 2018, 60 Minutes aired a segment profiling the plaintiff lawyers who are leading the lawsuits against the companies that manufacture and distribute prescription opioids.

We were disappointed that 60 Minutes chose to present such a one-sided story, which uncritically repeated the plaintiffs' lawyers' charges without any challenge.

The plaintiff attorneys profiled by 60 Minutes simplified the evolution of the crisis. They made no mention of the other groups that play a significant role in the supply chain for prescription medicines—the physicians who prescribe the medicine, the pharmacists who fill the prescription, the government agencies that license the pharmacists, the insurers who determine which medicines to reimburse and in what doses/quantities, and the Drug Enforcement Administration (DEA), which sets the quotas for how many opioids are produced in any given year. Nor did the story mention that the increase in overdose deaths in the United States is being driven by abuse of illegal drugs, and not the prescription medications that distributors deliver to DEA-registered and state-licensed pharmacies.

The segment also focused on reporting data that the industry gave the court—confidential data that the DEA appropriately objected to making public. Distributors do regularly report sales of controlled substances to the DEA, but no company within the supply chain has access to the overarching distribution data—only the DEA has access to that full information. [Find out more information about ARCOS data.](#)

The safe and secure distribution of all medications, including controlled substances, is the primary focus of pharmaceutical distributors. For more information on pharmaceutical distributors' role in the supply chain, please visit the [Healthcare Distribution Alliance's website](#).

McKesson's Role

As for our company, we are deeply concerned by the impact the opioid epidemic is having on families and communities across our nation—and we're committed to being part of the solution.

In our role as a distributor, we maintain – and continuously enhance – **strong programs** designed to detect and prevent opioid diversion within the pharmaceutical supply chain. We only distribute controlled substances, including opioids, to DEA-registered and state-licensed pharmacies. For many years, controlled substances ordered by pharmacies in the U.S. (including both orders that are shipped and those that are deemed suspicious and blocked) have been reported to the DEA for their internal database. These reports to DEA are not disclosed publicly for reasons that should be obvious—to protect the DEA's investigations, as well as the integrity of the supply chain and the distributors' anti-diversion programs.

McKesson is working with others to advance a series of **company initiatives** focused on helping to address the opioid epidemic and we offer thoughtful **public policy recommendations** – including the **Prescription Safety-Alert System** (RxSAS) technology proposal – and to support **innovative programs and partnerships** that we believe can have a meaningful impact on this challenging issue. We've also contributed \$100 million to the **Foundation for Opioid Response Efforts** (FORE), an 501(c)(3) non-profit dedicated to combating the opioid crisis in the U.S.

Despite 60 Minutes' continued over-simplified reporting on this highly complex issue, we remain committed to acting with urgency and working with others to end this national crisis.

We've prepared a short Q&A to address several misconceptions about the opioid epidemic, the role distributors play in the industry, and what McKesson is doing to help address the crisis. We'd also encourage you to visit the website of the distributor trade association, the **Healthcare Distribution Alliance**, for more information.

What does McKesson do?

As a pharmaceutical distributor, we ensure that medicines prescribed by licensed doctors are delivered to licensed pharmacies so they are available for patients who need them, when they need them, where they need them. In many cases, McKesson makes deliveries to our more than 40,000 customers across the country within a matter of hours, in both urban and rural areas. These deliveries include both over-the-counter and prescription medications.

In the case of controlled substances, we have to balance our mission to deliver medicines to pharmacies against our important efforts to prevent and detect illegal diversion of those drugs. Controlled substances only represent a small share of our overall business—approximately three to four percent of McKesson's total revenue.

What role did McKesson play in the opioid epidemic?

The opioid epidemic is a complicated, multi-faceted public health crisis that evolved over time due to many contributing factors. McKesson, like other distributors, delivers medications ordered by pharmacists to fill prescriptions written by doctors.

The crisis requires a comprehensive and collaborative approach, and each participant in the pharmaceutical supply chain can play an important role:

- The Drug Enforcement Administration (DEA), which has regulatory oversight for all DEA-registrants (doctors, pharmacists, distributors) and sets yearly quotas for the volume of opioids that can be manufactured
- Drug manufacturers that design, develop and promote the medication
- Doctors who prescribe the medication
- Pharmacists who dispense the medication
- Private and public health insurance groups that determine what they will pay for
- State medical and pharmacy boards that oversee the doctors and pharmacies in their jurisdiction
- Distributors that deliver medications ordered by pharmacists to fill prescriptions written by doctors

The DEA also has exclusive access to the ARCOS information that can help identify over-prescribing and pharmacies filling an excessive number of opioid prescriptions.

Why didn't McKesson have concerns about high volume orders?

When considering the volume of opioids distributed to certain pharmacies by McKesson and other distributors, it's important to put that data in context. For example, from 2007 through 2012, McKesson distributed approximately 151 million doses of oxycodone and hydrocodone in West Virginia. During the same six-year period of time, McKesson distributed nearly 2 *billion* doses of all prescription drugs in West Virginia.

With the benefit of modern, sophisticated data analytics tools, over the last five years we have implemented a more robust and more heavily resourced system to survey and analyze large volumes of data, in order to quickly identify bad actors.

Are the opioids McKesson distributes legally prescribed?

Distributors like McKesson respond to pharmacies' orders, which in turn are based on doctors' prescriptions. McKesson does not supply prescription drugs in amounts greater than pharmacies order, and we do not ship to a particular state or pharmacy without an order from a Drug Enforcement Administration ("DEA")-registered and state-licensed pharmacy.

Does McKesson have controls in place to help prevent diversion?

McKesson has continued to enhance and evolve its anti-diversion efforts to address the changing nature of the diversion threat over time. Over the last five years, we have successfully used the latest technology and the best available internal and external expertise to further enhance controls and to help reduce the chance of diversion or abuse. We continue to invest in and enhance our state-of-the art **Controlled Substance Monitoring Program**. Our CSMP uses complex data analytics to set and manage individual customer thresholds for controlled substances. Each order is analyzed against established monthly thresholds and orders are blocked if they exceed those thresholds.

Why doesn't McKesson just stop distributing opioids?

Opioids have a legitimate medical purpose and, to date, McKesson has continued to distribute these controlled substances so patients will continue to have access to these medication if their physicians conclude that they have a legitimate need for them.

Those profiled on 60 Minutes say that the information in the DEA's ARCOS database is "shocking" and that it should have been obvious to distributors that something was wrong. How do you respond?

We cannot comment on information that the court has sealed and we will not attempt to respond to the plaintiff lawyers' innuendo, which is not backed up by any actual evidence. We do not understand why "60 Minutes" would take the lawyers' statements at face value, particularly given the financial and political interests at stake. Those comments also overlook the fact that only DEA had access to the full range of ARCOS data.

Is McKesson hiding information about how many pills you shipped to pharmacies in Ohio?

It was the DEA that initially objected to the public release of the information that distributors reported about shipments of controlled substances. However, we agree with the DEA that public release of this information could undermine the compliance programs adopted by the various distributors and potentially undermine DEA and law enforcement investigations.

Is it true that thousands of people are dying in Ohio because of prescription opioids?

There were over 4,800 overdose deaths in Ohio in 2017, a number that has nearly tripled since 2010. This is a human tragedy, and McKesson is committed to doing what it can to help address it. But, according to the state of Ohio's own data, Ohio's drug overdose epidemic is *not* being driven by abuse of prescription drugs. Nine out of 10 (89.2%) of these overdoses involved illegal drugs rather than prescription drugs. Since 2010, the state has seen a huge increase in overdoses from illicitly manufactured fentanyl, heroin, cocaine, and methamphetamine, while prescription opioid overdoses have not increased.

Do you have any other comment on the story?

60 Minutes has persisted in producing unbalanced stories on the nation's opioid crisis. Our nation needs professional and objective reporting on this important issue to help policy makers and the public understand the complex drivers of the crisis and what it will take to meaningfully impact the epidemic. We will note that 60 Minutes did not make an effort to reach out to us for this story.

What is McKesson doing to help fight the crisis?

We have taken action through our corporate activities, which includes educating pharmacies and hospitals that purchase from us about the importance of compliance with DEA regulations, as well as how to identify potential warning signs of prescription abuse and diversion. Additionally, McKesson contributed \$100 million to the **Foundation for Opioid Response Efforts** (FORE), a non-profit dedicated to combating the opioid crisis in the U.S.

We are also working with others to advance meaningful solutions to tackle the opioid crisis, including (among other efforts):

- creating a **nationwide clinical alert system** that uses patient prescription history to identify patients at risk for opioid overuse, abuse, addiction or misuse. The system would provide real-time clinical alerts, integrated into pharmacist workflow, across state lines;
- offering complimentary pharmacist training by independent medical experts on how to administer opioid overdose reversal medications such as naloxone;
- supporting opioid addiction prevention and treatment-focused organizations;
- and **actively advocating for public policies** that will help address the opioid epidemic.

Opioid Resources

McKesson's Opioid Initiatives, New Foundation

Learn more about how McKesson's new company initiatives will help fight the opioid epidemic, including the formation of a foundation dedicated to combating the crisis.

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Pharmaceutical Supply Chain

McKesson works closely with pharmacies and manufacturers to ensure pharmacies have the medications their patients need. See how medications move through the supply chain.

[LEARN MORE](#)

Controlled Substance Monitoring Program

Our CSMP uses sophisticated algorithms designed to monitor for suspicious orders, and block the shipment of controlled substances.

[LEARN MORE](#)

Opioid Policy Recommendations

McKesson has offered policy recommendations that can improve prescribing and dispensing practices, limit the supply of opioids and facilitate better information sharing.

[LEARN MORE](#)

Partnering Against Opioid Abuse

The opioid epidemic won't be solved by any one participant or idea. McKesson is partnering with others to deploy the best thinking across the country and advance meaningful solutions.

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